

FISCAL IMPACT STATEMENT ON BILL NO. **S.275**

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TO:	The Honorable Daniel B. "Danny" Verdin, III, Chairman, Senate Agriculture and Natural Resources Committee		
FROM:	Office of State Budget, Budget and Control Board		
ANALYSTS:	R.J. Stein, Beth Quick, K. Earle Powell		
DATE:	March 25, 2009	SBD:	2009321

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AUTHOR:	Senator Hayes	PRIMARY CODE CITE:	49-4-10
SUBJECT:	Water Withdrawal		

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ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:

A Cost to the General Fund (See Below)

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:

A Cost to Federal and/or Other Funds (see below)

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**BILL SUMMARY:**

Senate Bill 275 amends Chapter 4, Title 49 of the Code of Laws of South Carolina, 1976, relating to the permitting, registration and use of surface waters. The Bill authorizes the Department of Health & Environmental Control (DHEC) to administer this Chapter and provides guidelines, specifies exemptions, and authorizes DHEC to promulgate regulations. The Bill establishes application fees. The Bill provides fines for violations and declares that all fines must be remitted to the State General Fund.

**EXPLANATION OF IMPACT:**

Department of Health & Environmental Control (DHEC)

The Department reports that 2.00 FTE positions (1.00 Hydrologist and 1.00 Engineer) are needed to implement the provisions of this Bill. The cost is estimated at \$187,487 annually, including \$121,432 for salaries and fringes and \$66,055 for general operating expenses, hydrologic monitoring supplies, public notices, public hearings, etc. needed to analyze the data provided by the Department of Natural Resources and for administering the permit program.

Since the Bill allows DHEC to collect and retain one-time application processing fees, DHEC's cost estimate could be reduced to whatever extent fees are collected. However, the number of potential applicants is not known and the fees are non-recurring.

Department of Natural Resources (DNR)

The Department provides DHEC with the technical support for monitoring stream flows, interpreting the data and ensuring its accuracy necessary for quantifying the availability of water resources in this state. Additional General Fund dollars would be needed to collect and analyze the additional stream flow data. The Department estimates annual costs at \$108,223 for 1.00 Hydrologist (including \$55,478 for salary and fringes and \$52,745 for stream flow gauge maintenance charged by the U.S. Geological Service (USGS)). An additional \$66,500 in non-recurring funds would be needed in the first year for the cost of installing 7 stream gauges.

Attorney General's Office

The Office reports this Bill will have a minimal impact to the agency but can be absorbed within existing resources.

**LOCAL GOVERNMENT IMPACT:**

Local governments were contacted and one responded that this Bill would have no fiscal impact on their operations.

**Summary:**

Recurring costs are estimated at \$295,710 for 3.00 new FTE positions and operating expenses. First year costs are estimated \$362,210 which includes \$66,500 for the installation of 7 additional stream flow gauges.

**SPECIAL NOTES:**

The Board of Economic Advisors is the appropriate entity to address any revenue impact associated with this Bill.

Approved by:

A handwritten signature in black ink that reads "Harry Bell". The signature is written in a cursive style with a large, looped 'H' and a clear 'Bell'.

Harry Bell  
Assistant Director, Office of State Budget